

20-923 Corrections Debt Service

Program Authorization: R.S. 39:1787

PROGRAM DESCRIPTION

This program provides for the principal and interest payments for the Louisiana Correctional Facilities Corporation Lease Revenue Bonds, Series 1985, which were sold for the construction of prison facilities. One hundred fifty million dollars (\$150,000,000) of bonds were sold with initial payment on June 15, 1993 and final payment scheduled for December 15, 2003 - if the bond issue is not paid off early. If the amortization schedule was followed, approximately \$48.4 million in interest will have been paid over the life of these lease revenue refunding bonds.

This agency's recommended appropriation does not include any funds for short-term debt.

This agency does not have any long-term debt for Fiscal Year 2000-2001.

RESOURCE ALLOCATION FOR THE PROGRAM

| | ACTUAL 1998-1999 | ACT 10 1999- 2000 | EXISTING 1999- 2000 | CONTINUATION 2000 - 2001 | RECOMMENDED 2000 - 2001 | RECOMMENDED OVER/(UNDER) EXISTING |
|--------------------------------|----------------------------|----------------------------|----------------------------|-----------------------------|----------------------------|---|
| MEANS OF FINANCING: | | | | | | |
| STATE GENERAL FUND (Direct) | \$17,124,259 | \$16,339,688 | \$16,339,688 | \$17,508,044 | \$17,508,044 | \$1,168,356 |
| STATE GENERAL FUND BY: | | | | | | |
| Interagency Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| Fees & Self-gen. Revenues | 0 | 0 | 0 | 0 | 0 | 0 |
| Statutory Dedications | 0 | 0 | 0 | 0 | 0 | 0 |
| Interim Emergency Board | 0 | 0 | 0 | 0 | 0 | 0 |
| FEDERAL FUNDS | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL MEANS OF FINANCING | <u><u>\$17,124,259</u></u> | <u><u>\$16,339,688</u></u> | <u><u>\$16,339,688</u></u> | <u><u>\$17,508,044</u></u> | <u><u>\$17,508,044</u></u> | <u><u>\$1,168,356</u></u> |
| EXPENDITURES & REQUEST: | | | | | | |
| Salaries | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Compensation | 0 | 0 | 0 | 0 | 0 | 0 |
| Related Benefits | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Operating Expenses | 0 | 0 | 0 | 0 | 0 | 0 |
| Professional Services | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Other Charges | 17,124,259 | 16,339,688 | 16,339,688 | 17,508,044 | 17,508,044 | 1,168,356 |
| Total Acq. & Major Repairs | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EXPENDITURES AND REQUEST | <u><u>\$17,124,259</u></u> | <u><u>\$16,339,688</u></u> | <u><u>\$16,339,688</u></u> | <u><u>\$17,508,044</u></u> | <u><u>\$17,508,044</u></u> | <u><u>\$1,168,356</u></u> |
| AUTHORIZED FULL-TIME | | | | | | |
| EQUIVALENTS: Classified | 0 | 0 | 0 | 0 | 0 | 0 |
| Unclassified | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL | <u><u>0</u></u> | <u><u>0</u></u> | <u><u>0</u></u> | <u><u>0</u></u> | <u><u>0</u></u> | <u><u>0</u></u> |

This agency's recommended appropriation does not include any funds for short-term debt.

This agency's recommended appropriation includes \$17,408,044 for long-term debt.

SOURCE OF FUNDING

The funding for this program is State General Fund.

ANALYSIS OF RECOMMENDATION

| GENERAL FUND | TOTAL | T.O. | DESCRIPTION |
|-----------------|--------------|------|---|
| \$16,339,688 | \$16,339,688 | 0 | ACT 10 FISCAL YEAR 1999-2000 |
| | | | BA-7 TRANSACTIONS: |
| \$0 | \$0 | 0 | None |
| \$16,339,688 | \$16,339,688 | 0 | EXISTING OPERATING BUDGET – December 3, 1999 |
| \$1,168,356 | \$1,168,356 | 0 | Other Adjustments - Adjustment to reflect required principal and interest payments pursuant to the bond amortization schedule |
| \$17,508,044 | \$17,508,044 | 0 | TOTAL RECOMMENDED |
| \$0 | \$0 | 0 | LESS GOVERNOR'S SUPPLEMENTARY RECOMMENDATIONS |
| \$17,508,044 | \$17,508,044 | 0 | BASE EXECUTIVE BUDGET FISCAL YEAR 2000-2001 |
| | | | SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL: |
| \$0 | \$0 | 0 | None |
| \$0 | \$0 | 0 | TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON SALES TAX RENEWAL |
| | | | SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE: |
| \$0 | \$0 | 0 | None |
| \$0 | \$0 | 0 | TOTAL SUPPLEMENTARY RECOMMENDATIONS CONTINGENT ON NEW REVENUE |
| \$17,508,044 | \$17,508,044 | 0 | GRAND TOTAL RECOMMENDED |

The total means of financing for this program is recommended at 107.15% of the existing operating budget. It represents 100% of the total request (\$17,508,044) for this program. In the current year, the state was able to use \$1,000,000 of bond reserve in lieu of general fund to fund a portion of this debt liability. This was a one time savings to the general fund.

PROFESSIONAL SERVICE

This program does not have Professional Services for Fiscal Year 2000-2001.

OTHER CHARGES

| | |
|---------------------|---|
| \$14,315,000 | Corrections Debt Service - principal payment due on December 15, 2000 |
| \$3,093,044 | Corrections Debt Service - interest payment due on December 15, 2000 (\$1,734,406) and on June 15, 2001 (\$1,358,638) at 5.25% computed interest rate |
| \$100,000 | Corrections Debt Service - administrative expenses |
| \$17,508,044 | TOTAL OTHER CHARGES |

ACQUISITIONS AND MAJOR REPAIRS

This program does not have funding for Acquisitions and Major Repairs for Fiscal Year 2000-2001.